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REPORT BY THE U.S.

General Accounting Office

ORIGINAL

COMPLETED

Management-Employee Relations Problems At The Evansville, Indiana, Post Office

Management-employee relations problems at the Evansville Post Office occurred from 1977 to early 1979. Conditions have improved, but a cooperative spirit founded on trust and honesty must be developed and sustained by both labor and management. If Evansville postal employees -- both management and labor -- cannot put the past aside and start anew, the probability of continued change and improvement is low.

GGD-81-37
FEBRUARY 19, 1981

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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

GENERAL GOVERNMENT
DIVISION

B-202155

The Honorable Richard G. Lugar
United States Senate

The Honorable Joel Deckard
House of Representatives

In response to your May 1980 request, we have reviewed management/employee relations problems at the Evansville, Indiana, Post Office. As agreed, we did not pursue allegations of criminal misconduct, which had already been investigated by the Postal Inspection Service.

In 1976 and 1977 the Evansville Post Office acquired new top management officials, including the Postmaster and the directors of mail processing and customer services. This change in management personnel was made to improve Evansville's efficiency. Postal Service management told us that Evansville had had high rates of overtime and absenteeism, both of which are counterproductive to Postal Service goals of increased productivity and cost containment. In addition, there had been numerous complaints about the poor working habits of Evansville letter carriers. As a result, the new local management team which was assembled in 1976 and 1977 undertook concerted efforts to control overtime and absenteeism and also increase supervision of letter carriers. The District Office responsible for Evansville not only supported these efforts but encouraged more and stronger disciplinary actions to reinforce them.

Both employees and supervisors stated that prior Evansville management was lax and used discipline sparingly. Officials at the District Office also stated that the prior management at Evansville had failed to emphasize productivity improvement in operating the Evansville Post Office. The new management emphasis on increased productivity probably contributed greatly to the ensuing labor relations problems at the Evansville Post Office.

In interviewing 110 Evansville postal craft employees, we heard claims that management

--failed to adequately investigate employee allegations and take appropriate action,

--used harassment tactics and lacked interpersonal relations skills,

--handed out unduly harsh discipline and used the grievance procedures to management's advantage, and

--promoted unqualified people who were friends or relatives of management to supervisory positions.

Our findings are summarized below and detailed in appendix I.

PRIOR POSTAL INVESTIGATIONS

Since mid-1979 there have been three separate Postal Service investigations at the Evansville Post Office as a result of employee complaints or allegations of management wrongdoing. The first Postal Service investigation was really not an "investigation" per se but rather a reply to a specific complaint. The second investigation, conducted jointly by the region and district personnel, addressed the same specific complaint and included a cursory look into several other specific areas. Neither of these investigations included any discussions with craft employees, and neither was of sufficient scope to identify overall labor-management problems.

The third investigation--by the Postal Inspection Service--looked into specific charges by interviewing both management officials and a significant number of craft employees. The postal inspectors gathered information on labor-management problems, but they did not make an indepth review of this area. They did report, however, several significant labor-management relations problems as well as statements by craft employees that suggested a serious lack of human relations skills on the part of management and also significant morale problems. (See app. I, p. 2.)

HARASSMENT AND LACK OF INTERPERSONAL RELATIONS SKILLS

Evansville employees told us that local management used unfair labor practice and harassment tactics. The lack of supportive documentation and lapse in time since most incidents occurred precluded us from making factual determinations of culpability. The sheer number of employee complaints, however, leads us to believe that severe problems in interpersonal relations and communications existed.

Recently, management has taken constructive actions, and several employees commented that conditions have improved. For example, supervisors are receiving a 25-hour labor relations course, and a human relations committee has been established to improve relations between labor and management. Furthermore, some supervisors who allegedly caused the original problems have retired, were transferred, or have been placed in nonsupervisory positions. (See app. I, p. 5.)

DISCIPLINE AND GRIEVANCE PROCEDURES IMPROPERLY USED

Employee allegations concerning management's improper use of discipline and of the grievance-arbitration procedure had some validity. For a period of time discipline was often harsh, not progressive, and inconsistently applied. Also, management had not abided by decisions on a sick leave call-in policy which resulted from the grievance-arbitration procedure. More recently, however, it appears that management has made an effort to overcome these problems, and since mid-1979, the equity of disciplinary actions has improved. (See app. I, p. 10.)

PROMOTIONS NOT BASED ON FAVORITISM

Numerous craft employees told us that management promoted unqualified supervisors who were friends or relatives of postal management personnel. Our review of promotional policies and selected promotions did not support these allegations. We found that while some supervisors did have relatives in management positions, records showed that the promotional system works as intended and qualified individuals were promoted. (See app. I, p. 21.)

CONCLUSIONS

Although it was not possible to prove or disprove every allegation, enough evidence exists to suggest that there is an element of truth in several craft employee claims. On the other hand, craft employees must share responsibility for events in Evansville because the numerous complaints and unproven allegations of management wrongdoing helped to create a less than desirable work environment.

These events, for the most part, occurred from 1977 to early 1979 and are now history. While the situation is unfortunate and probably could have been avoided through more timely and positive management actions, little can be done now to erase the past. We believe that conditions

have improved at Evansville. Some of the managers involved have been transferred or retired, and other supervisors have been trained in human relations and interpersonal skills. Top management at Evansville as well as the District Office is aware that further improvements are needed and plans to monitor activities at Evansville.

In our opinion, management has to continue to set the tone for relations with craft employees and should make every effort to continue to improve labor-management communications. The apparent dramatic change in management philosophy probably contributed greatly to the negative employee feelings at Evansville. Future changes in management policy need to be implemented with full and careful explanation of what is wanted and expected of workers. Craft employees and unions also must take reasonable positions and act in a responsible manner if Evansville is to fully recover from past events. A cooperative spirit founded on trust and honesty must be developed and sustained by both labor and management. If Evansville postal employees--management and labor--cannot put the past aside and start anew, the probability for continued change and improvement is low. (See app. I, p. 22.)

RECOMMENDATIONS

To avoid problems similar to those which occurred in the past, we recommend that the Regional Postmaster General, Central Region, assure that the Evansville Postmaster:

- --Implements controls over the discipline and grievance procedure to assure that (1) disciplinary actions are warranted, fair, consistent, and progressive and (2) the grievance procedure produces fair and timely decisions.

- --Develops a system to record and monitor disciplinary actions so that supervisors and managers can be evaluated on their labor relations performance.

- --Abides by the sick leave call-in policy set forth in the local contract.

Finally, to maintain a healthy and productive work environment and to assure that the situation does not return to its previous state, the District Office should monitor events at Evansville closely. If the situation shows signs of deteriorating, a way should be found to free the Evansville Post Office form disruptive forces.

Turmoil followed by a series of investigations should not be allowed to recur. (See app. I, p. 23.)

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The Postal Service agreed with our conclusions that conditions have improved at Evansville but that a more cooperative spirit needs to be developed and sustained by both labor and management. The Postmaster General informed us that to insure that management does its part in fostering such a spirit, our recommendations will be implemented and the situation at Evansville will be closely monitored. (See app. II.)

No further distribution of the report will be made until 10 days from the date of this letter unless you publicly release its contents earlier. At that time, copies will be sent to the Postmaster General and others on request.

W. J. Anderson

William J. Anderson
Director

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REVIEW OF MANAGEMENT-EMPLOYEE RELATIONS PROBLEMS AT THE EVANSVILLE, INDIANA, POST OFFICE

By letter dated May 5, 1980, Congressman Deckard, Senator Bayh, and Senator Lugar requested us to review problems in management-employee relations at the Evansville, Indiana, Post Office. Their letter indicated that although the Postal Service had conducted two investigations into these problems, they felt that proper corrective actions have not been implemented.

OBJECTIVES, SCOPE, AND METHODOLOGY

As agreed, the scope of our review was governed by three basic parameters.

1. We did not pursue the alleged perjury and misappropriation of postal manpower and property already investigated by the postal inspectors and considered by a U.S. attorney.

2. Our review focused primarily on problems in management-employee relations and on the effectiveness of corrective action taken by the Postal Service.

3. We made ourselves available to all employees, both present and retired, to discuss any problems at the Evansville Post Office.

Specifically, we

--interviewed 130 present and retired postal employees, both labor and management;

--reviewed and analyzed disciplinary grievances for the period January 1, 1978, through August 4, 1980, and contractual grievances for the period January 1, 1978, through June 9, 1980;

--examined disciplinary actions for the period January 1, 1978, through August 4, 1980;

--reviewed Evansville's sick leave policy and sick leave records of employees;

--examined promotional policies and individual promotion actions;

--reviewed the scope and results of the Postal Service's prior investigations;

--reviewed documents related to the problems brought to our attention by the postal employees interviewed; and

--discussed the results of our work with management officials of the Evansville Post Office.

POSTAL SERVICE INVESTIGATIONS

During the last 6 months of 1979, there were three separate investigations by the Postal Service into management problems at the Evansville Post Office. These investigations were made as a result of employee complaints or allegations of management wrongdoing. The first was conducted by regional office personnel, the second by regional and district office personnel, and the third by the Postal Inspection Service.

Regional investigation

The regional investigation was made in June 1979 after an employee requested an investigation of the Evansville Post Office. The employee alleged that (1) testimony given in an arbitration hearing by a supervisor was false and (2) an automatic disciplinary program against letter carriers existed. Regarding the alleged false testimony, the Regional Director, Employee and Labor Relations, concluded that since the grievant had the benefit of representation at his arbitration hearing, including the right to question each management witness, and since the decision of the arbitrator was final and binding, the matter was considered closed. With respect to the automatic disciplinary program, the Regional Director relied on a finding by the National Labor Relations Board that the allegation that management automatically disciplined one letter carrier per week could not be confirmed.

In reaching these decisions apparently no effort was made to independently interview anyone connected with the situation, nor were any efforts made to verify any of the facts relating to the case. Rather, the Regional Director relied on the decisions of the arbitrator and the National Labor Relations Board.

Regional/district investigation

The second effort, conducted by employee and labor relations personnel, one from the Central Region, and one from the Kentuckiana District Office, was in response to charges that the first investigation was inadequate. At this time--September 1979--the charges of management wrongdoing were expanded from giving false testimony (perjury) and operating an automatic disciplinary program to include accusations of misappropriating postal manpower and property, falsifying official documents and records, and engaging in unfair labor practices.

In investigating these charges, the two staff members interviewed management personnel but no craft employees. They concluded that no evidence existed to support the charge of perjury or of an automatic discipline program. They also found no evidence to support the charges of misappropriation of postal manpower and property, nor the charges of the falsification of official documents. Although the investigators looked into several allegations of unfair labor practices, they reached no conclusions on this matter.

Postal Inspection Service investigation

This investigation was started in October 1979 as a result of continued employee allegations of wrongdoing and criminal activity by postal management officials at the Evansville Post Office. A petition alleging that postal management had violated various State and Federal laws was signed by 256 employees.

During their investigation, the postal inspectors interviewed 136 present and former employees of the Evansville Post Office, including managers, supervisors, and employees of all crafts. The allegations investigated were categorized into the general areas of perjury, misappropriations, falsifying official documents and records, and unfair labor practices.

Ninety-seven (84 percent) of the 115 craft employees interviewed by the postal inspectors during their investigation possessed no direct personal knowledge relating to the criminal allegations of perjury, misappropriations, or falsifying official documents. However, many made comments and

expressed opinions about why there were problems at the Evansville Post Office. Craft employees identified such issues as punitive discipline, harassment by management, overemphasis on productivity, poor communication between management and employees, and low morale. Most employees interviewed stated that management's lack of effective human relations skills was the crux of the problem.

The postal inspectors made no recommendations. Their November 1979 report was provided to postal management and the U.S. attorney responsible for the Evansville area. After reviewing the report and supporting sworn statements, the U.S. attorney concluded that there was no basis for pursuing criminal charges.

Postal Service actions resulting from the investigations

As a result of the postal inspectors' investigation and subsequent report, Postal Service management took the following actions to improve the labor-management climate at the Evansville Post Office.

--The Kentuckiana District Director of Employee and Labor Relations designed a 4-hour labor relations course which was given to all supervisors at the Evansville Office.

--The Evansville Office established a human relations committee consisting of the Postmaster, three directors, Presidents of the local unions, and selected craft employees.

--The Evansville Postmaster and directors have reemphasized to the unions and all employees that they have an open door policy.

--Additional training was given to the Postmaster in general management techniques and to Evansville management officials directly responsible for labor-management relations.

Other corrective actions were instituted by Evansville Post Office management during the course of our review. In an attempt to train supervisors as quickly as possible in labor relations, particularly in interpersonal relationships, one supervisor per week was given 25 hours of training by the

Employee and Labor Relations Director and the Employee and Labor Relations Specialist. Also, it is management's policy to have new supervisors receive basic supervisory training as soon as possible at the Service's centralized training facility in Maryland.

Conclusions

The first Postal Service investigation was really not an "investigation" per se but rather a reply to a specific complaint. The second investigation conducted jointly by the region and the district personnel addressed the same specific complaint and included a cursory look into several additional specific areas. Neither of these investigations included any discussions with craft employees, and neither was of sufficient scope to identify overall labor-management problems.

The Postal Inspection Service investigation gathered information related to specific charges by obtaining sworn statements from management officials and a significant number of craft employees. The postal inspectors gathered information on labor-management problems, but they did not make an indepth review of this area. They did report, however, several significant labor-management problems, as well as statements by craft employees that suggested a serious lack of human relations skills on the part of management as well as significant morale problems. The report resulted in Postal Service management taking action to improve the labor-management climate at the Evansville Post Office.

ALLEGED HARASSMENT AND OTHER IMPROPER MANAGEMENT ACTIONS

Evansville employees alleged that management used unfair labor practices and harassment tactics while management contended it merely implemented controls needed to assure a fair effort for a fair wage. This was the situation in July 1980 when we began investigating allegations at the Evansville Post Office. Evidence supporting these claims consisted primarily of verbal testimony. The lack of supporting documentation and the lapse in time since most incidents had occurred precluded us from making a factual determination of culpability. Summarized on the following pages are alleged harassment and other management actions as described to us by craft employees and the responses we received from Evansville Post Office management.

Street supervision--letter carriers claimed that supervisors would hide in alleys or side streets and spy on carriers while they were working their routes. One carrier claimed that a supervisor used binoculars for street observations. Another carrier said spying was unnecessary, because a good supervisor should be able to determine a carrier's progress simply by his position on the route at a given time. Generally, the carriers felt that street supervision by Evansville management was excessive.

According to management officials

--street supervision is their prerogative and is useful in assuring good service to postal customers,

--it is neither a regional nor local policy to use spying techniques or street supervision as a harassment tool,

--supervisors are not required to notify the craft employee in advance of street supervision, and

--street supervision was almost nonexistent under prior Evansville management and was instituted in response to complaints from local citizens about poor carrier work habits.

Unreasonable treatment while on sick leave--several employees claimed that management harassed them while they were recovering from an accident or illness. One craft employee injured his back at work which caused him subsequent problems in performing his job. He claimed that a manager told him to either get well or get out of the Postal Service. Another employee said that while she was on sick leave, management would call every 2 or 3 days to find out what was wrong and ask when she would return to work. This employee said one supervisor even called and asked her to check out of the hospital. One retired supervisor complained that management ordered him to report to work while he was recovering from an operation, and at the time he received the order he could not walk.

Local management officials said it was not the policy of the Evansville Post Office to harass employees while they were on sick leave.

Restricted sick leave used as harassment tool--several employees claimed that restrictions on the use of sick leave were used to harass them. When placed on restricted sick leave, employees must have a doctor's excuse regardless of the hours of sick leave they use. Employees said management placed them on restricted sick leave arbitrarily even when they had a legitimate doctor's excuse for being off. In considering this allegation, we found that some employees were kept on leave restrictions too long.

Evansville management officials said that in the past Evansville had experienced a high rate of sick leave, and their goal was to reduce it. Our review of sick leave records did show that when employees are placed on restricted sick leave, their sick leave records improve. Evansville management officials agreed they had not taken employees off the restricted sick leave list in a timely manner and took action to correct this situation.

Management called doctors or refused to accept doctors' statements--a few employees said management called their physicians to verify illnesses or attempted to change the doctor's mind about their inability to work. Sometimes management would refuse to accept a doctor's excuse for sick leave. One carrier had two excuses plus a letter from his doctor and still received a 7-day suspension for being absent without leave. The 7-day suspension was reduced from an original suspension of 20 days.

Evansville management officials contended it was necessary to call physicians from time to time to get additional information about the nature of employees' illnesses. They explained that injured employees frequently fail to inform physicians that light duty positions are available. They also stated that excuses from physicians are sometimes refused because they do not contain all the information required by Postal Service regulations. For example, a description of the employee's illness or condition is often missing from excuses.

Slow letter carriers pressured to change crafts--management attempted to involuntarily transfer several carriers to the clerks' craft for health reasons. The carriers filed a contract grievance and their grievance was upheld.

According to Evansville management officials, they must take some action if a carrier cannot carry the mail. Under present procedures, if a carrier is suspected of not being able to do

his job, an independent physician may be asked to evaluate the employee's physical capabilities against his job description. Management officials agreed that their attempt to involuntarily transfer carriers to another craft was not in accordance with the union contract.

Supervisors used "get even" tactics--several employees charged that supervisors tried to get even if they felt an employee had done something to make the supervisor look bad or if an employee was labeled as a troublemaker. For example, one carrier went over his supervisor's head to get help to carry his route. According to the carrier, when his supervisor found out, he threatened, "I'll write you up for that and you can bank on it." Another carrier said he asked a temporary supervisor for a day off and when his regular supervisor found out, he said he would "get even." Two years later this supervisor suspended the carrier 20 days for being absent without leave. The suspension was subsequently reduced to 7 days, and the carrier was reimbursed for lost wages.

Management officials stated that get even tactics were never condoned by Evansville Post Office management. They said, however, these incidents could have happened, noting that it is impossible to control the actions of individual supervisors.

Employees not notified of emergencies or permitted personal phone calls--some employees claimed they were not permitted personal phone calls or notified of family emergencies while on duty.

Management officials said that they did not have a policy of preventing craft employees from receiving emergency phone calls. In fact, every attempt is made to notify employees of such calls. Personal calls, however, are discouraged. In responding to a charge by one specific employee, management officials stated that the employee's son called practically every day, and the calls were becoming a nuisance.

Tensions related to poor human relations skills--several employees said management officials lacked human relations skills and were insensitive to employee needs. They claimed management ruled through intimidation and fear and constantly pushed for increased productivity and cost reductions. Many of the complaints were against a handful of supervisors or managers. In addition, several managers, retired and current, said much of the tension between labor and management was caused by two former Evansville directors. As hard line

disciplinarians, they were often abrasive in their dealings with craft employees. One retired supervisor said one director put so much pressure on him to harass and discipline employees that he finally retired. Another supervisor said a Kentuckiana District official pressured Evansville management to generate more grievances. Evidently, the district used the number of grievances as a gauge to measure local management's performance.

Evansville management officials are aware that certain supervisors lack abilities to deal with people. Since these human relations problems surfaced, supervisors have been receiving training in labor relations. Several supervisors lacking human relations skills have retired. Others have transferred or were placed in nonsupervisory positions. In addition, management has tried to open communications with labor by starting a human relations committee and promoting an "open door" policy.

Conclusions

The sheer number of employee complaints leads us to believe that severe problems in interpersonal relations and communications existed at the Evansville Post Office. It appears, however, that Evansville management has taken steps to improve relationships with craft employees. Some craft employees interviewed stated that relations had improved. At least one of the local unions has taken some positive steps to resolve the past problems at the Evansville Post Office. In a September 1980 meeting with management, representatives of this union suggested that the past be buried and a cooperative spirit prevail between management and labor.

Most of the supervisors and managers considered by employees as having problems in dealing with people have retired, were transferred, or were placed in nonsupervisory positions. Others have received some training in human relations. Top management at Evansville as well as in the Kentuckiana District is keenly aware of the need for further improvements.

DISCIPLINE AND GRIEVANCE PROCEDURES IMPROPERLY USED

Many employees complained that discipline was unduly harsh and that Evansville management failed to use the grievance-arbitration procedure fairly. Our review showed that for a period of time there was some validity to employee allegations that:

--Discipline was often too harsh, not progressive, and inconsistently applied.

--There had been very few disciplinary actions under prior postal management.

--Management purposely handed out harsher discipline than was justified as a strategy for negotiating during the grievance-arbitration procedure.

--Management did not always abide by the decisions of the grievance-arbitration procedure.

Discipline

Craft employees made numerous allegations of unfair disciplinary actions taken by postal management, but several employees felt that conditions have improved. We grouped the allegations into the following categories:

--Discipline was often too harsh, not progressive, and inconsistently applied.

--A disciplinary quota system existed for punishing employees.

--Disciplinary action had been less severe under prior postal management.

Craft employees also alleged that management curtailed disciplinary activities when the postal inspectors began their investigation in October 1979 and expressed concern that after we completed our review harsh disciplinary actions would resume.

To evaluate the validity of these allegations, we reviewed disciplinary records at the Evansville Post Office for the period January 1, 1978, through August 4, 1980. Our review was limited to this time period because prior to January 1, 1978, no record of disciplinary actions had been kept. Also, grievance records prior to January 1, 1978, could not be relied on because they were incomplete.

During this period, postal management took 177 disciplinary actions. Of these, 13 (7 percent) involved removals from the Postal Service, and 57 (32 percent) involved suspensions. The remaining 107 (60 percent) involved less severe discipline, such as counselings 1/ and letters of warning.

Allegation that discipline was too harsh, not progressive, and inconsistent

Our review showed that in all cases removal actions were for serious offenses, such as falsifying job applications, or were taken against employees with a history of disciplinary problems. In all cases, the removal action was grieved through the grievance-arbitration procedure established by the contract or appealed to the Merit Systems Protection Board. 2/

1/Counselings are no longer allowed as a disciplinary action under the provisions of the current contract which took effect in February 1979.

2/The Merit Systems Protection Board is an independent board set up for the purpose of protecting the Federal workplace from prohibited personnel practices.

Final disposition of the removal actions were as follows:

Number of cases	Disposition
3	Removal action stood
1	Employee reinstated by the Merit Systems Protection Board
1	Removal rescinded because of error by the Postal Inspection Service. A new removal action was initiated at a later date and is one of the two actions still pending
6	Removal reduced to a suspension
2	Still pending

Even though Evansville management initiated removal actions uniformly, the final disposition of these cases suggests that several removal actions were not justified.

In our review of suspensions, we found that 16 (28 percent) of the 57 suspensions were given to employees with no prior disciplinary actions against them. These 16 suspensions were as follows:

Number of employees	Number of days suspended
1	29
6	20
2	14
4	10
1	7
2	5

In addition to reviewing available files, we discussed each of the above cases with management officials to determine the exact nature of the offense and management's reasons for its action. Based on this information, we concluded that 4 disciplinary actions seemed justified, 11 seemed too harsh, and 1 was too close for us to call. An example of a case where the discipline seemed justified follows:

--A clerk was given a 10-day suspension for disobeying the order of a supervisor. The circumstances surrounding this case were that the employee was told by his supervisor that because of heavy mail volume, he would have to work overtime. He became very belligerent and shouted on the workroom floor that there was no way he was going to work past his usual quitting time. He clocked out and left.

An example of a case where the discipline seemed unduly harsh follows:

--A clerk was given a 20-day suspension for being absent without leave. The employee was called around 10 p.m. and told to report for work at 1 a.m.--2 hours before the time he regularly started. He told his supervisor at that time he could not get his car started and did not know whether or not he would be able to make it. At about 6 a.m.--3 hours after the start of his shift--he called his supervisor and told him his car still would not start, and he would not be able to come to work.

We also found cases where discipline appeared to be inconsistently applied. For example, compare the above case with the following case:

--A letter carrier who had previously had disciplinary action taken against her was given a letter of warning for being absent without leave. The circumstances surrounding this case were that the carrier called in several hours prior to reporting time and stated her vehicle was stuck and she would not be able to come in. This employee did not call back and did not report in at any time later in the day.

Management officials pointed out that the severity of discipline had been reduced through the grievance procedure for most of the cases we identified as too harsh. Even so, we do not believe that the existence of a grievance procedure excuses postal management from its responsibility to be fair and reasonable when taking disciplinary actions.

Evansville management officials told us that prior to mid-1979 there was a great deal of pressure for discipline involving rather long suspensions. Pressure on Evansville management came primarily from the District Director for Employee and Labor Relations and in some cases this official actually directed specific disciplinary actions.

We queried this former District Director about Evansville management's statements. He stated that he believed in progressive discipline and did not advocate long suspensions for first time offenses except in extreme cases. He further stated that, if he directed specific disciplinary actions at Evansville, it was probably because he was called for advice, and if some of these were too harsh, it might have been because he had not been given all of the facts.

Also, according to one Evansville management official, prior to January 1979 it was accepted practice to give a 20-day suspension to any employee who was absent without leave regardless of the prior record of the employee. After January 1979, as a result of the Merit Systems Protection Board receiving authority to review all suspensions of more than 14 days, the Postal Service issued a policy stating that, except for unusual offenses, suspensions in excess of 14 days should not be issued.

Allegation that discipline increased as a result of a "quota" system

One letter carrier alleged that the former Director of Customer Services established a discipline "quota" system. The postal inspectors interviewed seven letter carrier foremen and the former Director of Customer Services about the alleged quota system. The former Director of Customer Services said that he told the letter carrier foremen: "If you can't find at least one thing wrong a week to counsel someone on, then you're not looking." He added that although he may have urged more use of the disciplinary procedure to correct infractions and violations, there was no thought of establishing a quota.

Several of the letter carrier foremen interviewed by the postal inspectors stated that they recalled the statement made by the former Director of Customer Services, but only one interpreted it as establishing a quota system. Most letter carrier foremen and other management personnel stated that they were not aware of any type of quota system. We did not find any additional evidence to suggest the existence of a quota system.

To determine if more disciplinary actions had been taken when the former Director of Customer Services was at the Evansville Post Office, we analyzed disciplinary actions for two 11-month periods--one prior to and another after he left the Evansville Post Office on September 8, 1979. Our analysis showed the following:

	Total disciplines	Suspensions and removals	Suspensions and removals as a percentage of total disciplines
Disciplines for the 11-month period prior to September 8, 1979	46	18	39
Disciplines for the 11-month period after September 8, 1979	68	21	31

Although the percent of severe disciplines declined, more disciplinary actions were taken in the 11-month period after the Director of Customer Services left. Also, as pointed out earlier, the National Labor Relations Board found no evidence to support the allegation that a quota system was established by Evansville postal management.

Allegations that disciplinary actions increased under present management

Due to lack of discipline records prior to January 1, 1978, we were unable to compare disciplinary actions taken by present and prior management. However, Evansville and district officials stated that under prior postal management there were very few suspensions at the Evansville Post Office. Therefore, this allegation appears to be valid. It should be noted, however, that present management was assigned to the Evansville Post

Office to cut costs and increase productivity. According to a District Office official, prior Evansville management officials would not embrace these Service-wide goals, and an increase in discipline was probably inevitable when new management attempted to achieve them.

Allegation that management curtailed disciplinary actions since the start of Inspection Service investigation

To determine if management had curtailed disciplinary actions after the postal inspectors started their investigation, we analyzed disciplinary actions for similar periods before and after the investigation began on October 11, 1979. The results of our analysis follow:

	Total disciplines	Suspensions and removals	Suspensions and removals as a percentage of total disciplines
Disciplines for the 9-1/2 month period prior to October 11, 1979	40	15	38
Disciplines for the 9-1/2 month period after October 11, 1979	56	16	29

The increase in the number of disciplines since the start of the postal inspection investigation contradicts this allegation. While suspensions and removals as a percentage of total disciplines decreased, we believe this change to be primarily attributable to other factors. Important among these factors was that in June 1979 the Postmaster received authority to appoint a Director of Employee and Labor Relations, and he instructed this official not to rely on the district for decisions relating to disciplinary actions. In addition, in August 1979, the Postmaster appointed a labor relations specialist who received special training at the Service's Central Regional Office.

All disciplinary actions are reviewed by the labor relations specialist before they are issued. The two positions in employee and labor relations provide more consistency and

control over disciplinary actions. Only 2 of the 16 suspensions for first time offenses (see p. 12) occurred since the mid-1979 time frame.

Conclusions

We believe that there was some validity to employee allegations that:

--Discipline was sometimes too harsh, not progressive, and inconsistently applied.

--There were very few disciplinary actions under prior postal management.

However, since mid-1979 the equity of disciplinary actions at the Evansville Post Office seems to have improved, and for the most part disciplinary actions have been progressive in nature.

Grievances

Grievances can generally be divided into two categories: contractual, which involve a dispute over contract provisions; and disciplinary, which involve a dispute over the fairness of disciplinary actions against employees.

Most complaints voiced by Evansville postal employees concerned management's handling of disciplinary grievances. We did, however, receive some complaints about the handling of contractual grievances. Both types of complaints were grouped as follows for review purposes:

--Management purposely hands out more severe discipline than warranted so they can negotiate a lesser penalty during the grievance-arbitration procedure.

--Management "rubber stamps" grievances, i.e., denies them at the local level as a matter of course.

--Management does not abide by decisions resulting from the grievance-arbitration procedure.

Allegation that management purposely hands out more severe discipline than warranted

Our analysis showed that for the period January 1, 1978, through June 30, 1980, 65, or 66 percent, of the 98 disciplinary grievances settled were settled at the local level. Of these local level settlements, 41, or 63 percent, were compromise reductions from original discipline. The fact that local management was willing to reduce discipline in so many cases suggests that initial disciplinary actions were often too severe.

During a prior review of the Service's grievance-arbitration system, we were told by some regional and headquarters management officials that meting out higher discipline penalties than justified is often a desirable practice. The objective of this practice was to increase the Service's chances of obtaining some form of discipline on the employee's record if the initial penalty is reduced through subsequent grievance appeals. The results of our prior work can be found in a report titled "Improved Grievance-Arbitration System: A Key to Better Labor Relations in the Postal Service" (GGD-80-12, Nov. 28, 1979).

Evansville management officials stated there is not, and never has been, a program or policy to hand out more severe discipline than is deserved for the purpose of negotiating during the grievance procedure. They explained that discipline is often reduced because facts unknown to the supervisor at the time the disciplinary action is taken become known during the grievance procedure.

Local management's willingness to reduce initial disciplinary actions in a high percentage of cases does not show conclusively that the employees' allegation is valid. It does, however, lead us to believe that one or more of the following conditions existed at the Evansville Post Office:

--Initial disciplinary actions were often too severe.

--Supervisors often did not adequately investigate situations and obtain all relevant facts before disciplining employees.

--Discipline was often intentionally harsher than warranted to allow for negotiation during the grievance procedure.

Management rubber stamps grievances

Management personnel have an obligation in handling a grievance to try to settle the grievance locally and to objectively review all facts surrounding the case in order to make an impartial decision that is fair and equitable. According to some employees, this is not done by management at the Evansville Post Office. Rather, unless there is overwhelming evidence to the contrary, management will as a matter of course deny grievances at the local level.

To test the validity of this allegation, we analyzed grievances to determine how many were being elevated above the local level and of those how often the union position was upheld.

During the period January 1, 1978, through June 30, 1980, a majority of disciplinary grievances, 66 percent, were settled locally. In contrast, 47 percent of the 99 contractual grievances for the period January 1, 1978, through June 9, 1980, were settled locally. Of the 53 percent elevated beyond the local level, management's position was upheld more than twice as often as the union position. Therefore, even though over one-half of the contractual grievances were elevated beyond the local level, the final settlements of these cases do not suggest that Evansville postal management is rubber stamping grievances.

Allegation that Evansville postal management does not abide by grievance-arbitration decisions

Most complaints in this area resulted from Evansville's sick leave call-in policy for letter carriers. The policy requires that carriers call a specific telephone number no earlier than 5:30 a.m. but at least 1 hour before their scheduled starting time unless their starting time is before 6:30 a.m.

The union contends that this policy violates the local memorandum of understanding on sick leave call-in which states:

"Section 8 - Sick Leave

It shall be the duty of the employee or authorized representative to notify his immediate supervisor, or the supervisor or employee in charge on duty at the Carrier Assignment Unit at the time he calls, as soon as practicable so that his absence may be known at the earliest possible time. At no time should this be later than one (1) hour before the employee's scheduled starting time, except in emergencies.

Section 9 - Sick Leave

It shall be the duty of the employee on sick leave to notify the immediate supervisor or the supervisor or employee in charge at the Carrier Assignment Unit as soon as practicable of his intentions to return to work."

According to the union, Evansville management's policy violates the agreement, because letter carriers are prohibited from calling in as soon as practicable although supervisors are on duty at the post office 24 hours a day.

Management's position is that while clerk supervisors are on duty at night, no carrier supervisors are on duty before 5:30 a.m. Since it is a carrier supervisor who must determine exactly what the problem is and how long the carrier is likely to be off work so the route can be covered, 5:30 a.m. is the earliest practicable time that a carrier can call in. Management offered a compromise settlement which would allow carriers to call the night clerk supervisor so long as carrier supervisors had the right to call the employee the next morning to get needed information about the nature and probable duration of the illness or injury. This compromise was rejected by the union.

This dispute has gone through the grievance-arbitration procedure twice. The first time the union position was upheld. The second time management's right to designate a phone number was upheld, but the decision directed management compliance with the local memorandum of understanding.

When we discussed the sick leave call-in policy with Evansville management, they responded that they did not believe the policy was unreasonable and did not plan to change it. The call-in policy was still in effect in August 1980.

In its November 28, 1979, report on the Evansville Post Office, the Postal Inspection Service stated it had sought the opinion of the General Manager, Grievance Division, Postal Service Headquarters, on this case. He stated that in this case there was no doubt that management acted in bad faith.

Conclusions

Evansville management often took more severe initial discipline than could be sustained and has not abided by decisions on the sick leave call-in policy resulting from the grievance-arbitration procedure. We do not, however, believe that management rubber stamped grievances.

PROMOTIONS NOT BASED ON FAVORITISM

Numerous craft employees alleged that management promoted unqualified supervisors who were friends or relatives of postal management personnel. Our evaluation of promotional policies and selected promotions did not support this claim.

Postal promotion procedures are designed to ensure that advancement depends on qualifications. The system provides a competitive environment for selecting initial level supervisors. Applicant's past and potential performance is evaluated by an advisory panel. In addition to reviewing performance ratings, the advisory panel usually interviews the candidates and recommends the three most qualified to the selecting official.

We reviewed promotion files to see if any of the specific allegations could be sustained. The files showed that in all cases the most qualified candidates had been recommended by an advisory panel, and that the individual selected had some unique experience that set him or her above the others. For example, it was alleged that one person had been promoted because his father was a manager at the Evansville Post Office. The promotion files supported the advisory panel's selection of this person as one of the three most qualified. The advisory panel judged that his positive attitude placed him above the other two candidates. We also interviewed his current supervisor and were told that he was performing in an outstanding manner.

Another allegation was that the Industrial Engineering Coordinator had a degree in art and got his position because his father was Postmaster of a local office. The records

showed this person has a degree in industrial engineering. In addition, he is a member of the American Institute of Industrial Engineering and has taken numerous internal postal training courses relevant to his duties as an industrial engineer.

Conclusions

While some supervisors have relatives in postal management, records showed that the promotion system works as intended and only qualified persons were promoted.

OVERALL CONCLUSIONS

Although it was not possible to prove every allegation, enough evidence exists to suggest that there is an element of truth in some craft employee claims. On the other hand, craft employees must share responsibility for events in Evansville, because the numerous complaints and unproven allegations of management wrongdoing helped to create a less than desirable work environment.

These events, for the most part, occurred from 1977 to early 1979 and are now history. While the situation was unfortunate and probably could have been avoided through more timely and positive management actions, little can be done now to erase the past. We believe that conditions have improved at Evansville. Some of the managers involved have been transferred or retired, and other supervisors have been trained in human relations and interpersonal skills. Top management at Evansville as well as the District Office is aware that further improvements are needed and plans to monitor activities at Evansville.

In our opinion, management has to continue to set the tone for relations with craft employees and should make every effort to enhance and improve labor-management communications. The apparently dramatic change in management philosophy in the 1976-1977 time frame probably contributed greatly to the negative employee feelings at Evansville. Future changes in management policy need to be implemented with full and careful explanation of what is wanted and expected of workers. Craft employees and unions also must take reasonable positions and act in a responsible manner if Evansville is to fully recover from past events. A cooperative spirit founded on trust and honesty must be developed and sustained by both labor and management.

Past events must be relegated to history. If Evansville postal employees--management and labor--cannot put the past aside and start anew, the probability for continued change and improvement is low.

RECOMMENDATIONS

To avoid problems similar to those which occurred in the past, we recommend that the Regional Postmaster General, Central Region, assure that the Evansville Postmaster:

--Implements controls over the discipline and grievance procedure to assure that (1) disciplinary actions are warranted, fair, consistent, and progressive and (2) the grievance procedure produces fair and timely decisions.

--Develops a system to record and monitor disciplinary actions so that supervisors and managers can be evaluated on their labor relations performance.

--Abides by the sick leave call-in policy set forth in the local contract.

Finally, to maintain a healthy and productive work environment and to assure that the situation does not return to its previous state, the District Office should closely monitor events at Evansville. If the situation shows signs of deteriorating, a way should be found to free the Evansville Post Office from disruptive forces. Turmoil followed by a series of investigations should not be allowed to recur.

AGENCY COMMENTS

The Postal Service agreed with our conclusion that conditions have improved at Evansville but that a more cooperative spirit needs to be developed and sustained by both labor and management. The Postmaster General informed us that to insure that management does its part in fostering such a spirit, our recommendations will be implemented and the situation at Evansville will be closely monitored. (See app. II.)

THE POSTMASTER GENERAL
Washington, DC 20260

January 23, 1981

Dear Mr. Anderson:

Thank you for the opportunity to review your proposed report on management/employee relations problems at the Evansville, Indiana Post Office.

As the report recognizes, the Postal Service has been correcting inefficiencies and bad work habits that had developed at Evansville over a period of years. The report accurately reflects the difficulties we have encountered in trying to do this.

We agree that conditions have improved at Evansville but that a more cooperative spirit needs to be developed and sustained by both labor and management.

To insure that management does its part in fostering such a spirit, your recommendations will be implemented and the situation at Evansville will be closely monitored.

Sincerely,

William F. Bolger

Mr. William J. Anderson
Director, General
Government Division
U.S. General Accounting Office
Washington, D.C. 20548

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